



Beyond Sharia Compliance: Shifting Muslim Consumer Expectations and the Strategic Response of the Global Halal Industry

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Abstract:

Background: The global halal industry is undergoing a paradigm shift driven by evolving Muslim consumer behaviors that increasingly intersect with sustainability and digital transformation. Despite its growth, a significant gap persists between conventional sharia compliance and modern expectations for ethical transparency.

Objective: This study aims to identify shifting patterns in Muslim consumer behavior, analyze the gap between consumer expectations and industry capacity, and formulate adaptive strategies—specifically focusing on digitalization and regulatory harmonization within the ASEAN context.

Methodology: A qualitative approach was employed, integrating a comprehensive literature review with in-depth, semi-structured interviews with 25 key informants. Participants included Muslim consumers (aged 18–45) from Indonesia, Malaysia, the UK, and Japan, alongside industry actors and policymakers. Data were analyzed using thematic content analysis to capture nuanced perspectives on halal-ṭayyib and global business ethics.

Findings: The results reveal three critical dimensions for the industry's future: (1) a shift in consumer demand toward halal-ṭayyib, encompassing quality and global ethical standards; (2) the pivotal role of digital technologies, such as Blockchain and IoT, in enhancing supply chain traceability; and (3) the urgent need for international regulatory harmonization, exemplified by the proposed Halal Industry Administration (HIA) in the Philippines.

Conclusion: This study contributes to theoretical discourse by integrating Islamic consumption patterns with Institutional Theory and sustainability frameworks. It asserts that halal governance is a multidimensional construct in which Sharia integrity must align with global ESG (Environmental, Social, and Governance) principles.

Practical Implications: For policymakers, the study recommends establishing unified halal authorities and providing subsidies to MSMEs to bolster global competitiveness. Future research should conduct empirical evaluations of HIA implementation and comparative cross-border regulatory studies.

Keywords: Muslim Consumer Behavior, Halal Industry, Digital Transformation, Tayyib, Global Islamic Economy.

Introduction

Over the last two decades, the halal industry has witnessed an unprecedented global expansion, transcending Muslim-majority territories to establish a significant footprint in Muslim-minority regions.¹ This trajectory is propelled by a heightened consciousness among Muslim consumers regarding the intrinsic value of halal, which has evolved from a purely religious obligation into a holistic lifestyle choice encompassing health, sustainability, and robust business ethics. According to the State of the Global Islamic Economy reports, consumer spending across halal sectors—spanning food, pharmaceuticals, fashion, and tourism—has consistently exhibited resilient growth, frequently outperforming conventional market benchmarks. Interestingly, research suggests that even during global crises, such as the COVID-19 pandemic, the industry demonstrated remarkable resilience, acting as a "hidden blessing" that accelerated the adoption of hygiene standards and ethical consumption.²

In the global context, dynamics such as trade globalization, digital technology development, environmental issues, and shifts in consumer behavior have shaped a new landscape for the halal industry.³ Modern Muslim consumers have become more critical and demanding, seeking not only products with halal certification but also those that embody the *tayyib* dimension—meaning good, healthy, safe, sustainable, and ethical. It positions the halal industry strategically, requiring a balance between maintaining Shariah integrity and integrating universally recognized global values. Nevertheless, a gap remains between Muslim consumer expectations and the halal industry's response. Many companies are still oriented toward meeting the halal label as a minimum standard. At the same time, consumers increasingly demand supply chain transparency, the use of digital technology for traceability, and environmentally friendly and inclusive business practices. Moreover, international regulatory frameworks related to halal certification remain non-standardized, leading to fragmented implementation across countries.⁴

In Indonesia, for instance, the transition in halal certification management following Government Regulation No. 31 of 2019 highlights the administrative complexities and the ongoing efforts to streamline procedures for sectors like

¹ Widya Satya Nugraha et al., "The Effect of a Halal Label and Label Size on Purchasing Intent for Non-Muslim Consumers," *Journal of Retailing and Consumer Services* 65 (March 2022): 102873, <https://doi.org/10.1016/J.JRETCONSER.2021.102873>.

² Ana Toni Roby Candra Yudha and Abdullah Kafabih, 'Halal Industry during the Covid-19 Pandemic Is The Hidden Blessing: Industri Halal Selama Pandemi Covid-19 Adalah Berkah Tersembunyi', *EL-Qist: Journal of Islamic Economics and Business (JIEB)* 11, no. 1 (2021): 17–32, <https://doi.org/10.15642/elqist.2021.11.1.17-32>.

³ Christian R. Proaño et al., "How Strong Is the Link between the Global Financial Cycle and National Macro-Financial Dynamics? A Wavelet Analysis," *Journal of International Money and Finance* 159 (December 2025): 103419, <https://doi.org/10.1016/J.JIMONFIN.2025.103419>.

⁴ Pengfei Qin et al., "China's Green Energy Growth: Economic Policies, Environmental Economics, and Strategies for Resilience in the Global Economy," *Energy Strategy Reviews* 54 (July 2024): 101475, <https://doi.org/10.1016/J.ESR.2024.101475>.

cosmetics to meet global standards.⁵ The existing literature reflects a disproportionate focus on the macro-economic metrics of the halal industry, often overlooking the nuanced behavioral shifts driven by digital transformation and environmental consciousness.⁶ For example, while Satymov explores the global resolution of energy and wind power, there is a lack of integration regarding how such global resolutions on sustainability intersect with the digital transformation of consumer values.⁷ Similarly, although Nugraha et al. argue that halal labeling may have limited influence on non-Muslim cohorts, their study does not sufficiently address how global shifts in ethical preferences might bridge this gap.⁸ Recent scholarly discourse highlights the emergence of a "halal middle class" in Southeast Asia—particularly in Indonesia and Malaysia—where pious consumption is intertwined with modernity, authenticity, and sustainability. Furthermore, studies by Changalima suggest that digitalization acts as a catalyst for trust by enhancing information accessibility and supply chain traceability.⁹

The lack of research linking global dynamics to Muslim consumer behavior thus provides the primary foundation for this study. Accordingly, this research seeks to broaden the understanding of how global factors such as digitalization, sustainability, and cross-cultural ethical values shape Muslim consumer behavior and drive the transformation of the halal industry. Academically, this study contributes to enriching the literature on the interrelationship between Muslim consumers, global dynamics, and halal industry transformation. Practically, the findings are expected to benefit the halal industry, regulators, and other stakeholders. For the industry, these findings can serve as a foundation for formulating innovative strategies that go beyond halal certification, integrating global issues such as sustainability and business ethics. Regulators may use them to develop policies to harmonize cross-border halal certification, while consumers may benefit from improved quality and service standards aligned with contemporary needs.

Therefore, the objectives of this research encompass three main aspects/objectives: (1) to identify the evolving patterns of Muslim consumer behavior amidst global shifts; (2) to critically analyze the discrepancy between consumer expectations and industry responsiveness; and (3) to formulate adaptive strategies that integrate digitalization and sustainability into the halal value chain. This study contends that the halal industry must transcend traditional labeling to remain competitive. Ultimately, the central thesis asserts that the future of the global halal market depends on its capacity to bridge Shariah integrity with the exigencies of the digital and green economies.

⁵ Azhar Alam and Refita Yunie Samhuri, 'Halal Certification Management Procedure for Cosmetic Products in Indonesia After Government Regulation Number 31 of 2019', in *El-Qist: Journal of Islamic Economics and Business (JIEB)*, vol. 11, no. 2, 2021, <https://doi.org/10.15642/elqist.2021.11.2.114-135>.

⁶ Aries Susanty et al., "Consumer Acceptance of Halal Food Traceability Systems: A Novel Integrated Approach Using Modified UTAUT and DeLone & McLean Models to Promote Sustainable Food Supply Chain Practices," *Cleaner Logistics and Supply Chain* 15 (June 2025): 100226, <https://doi.org/10.1016/J.CLSCN.2025.100226>. John Lever et al., 'Niche Market Making in the UK Sheep Sector; Performing the Halal Market in Uncertain Times', *Journal of Rural Studies* 119 (October 2025): 103728, <https://doi.org/10.1016/j.jrurstud.2025.103728>.

⁷ Rasul Satymov et al., "Techno-Economics of Offshore Wind Power in Global Resolution," *Applied Energy* 393 (September 2025): 125980, <https://doi.org/10.1016/J.APENERGY.2025.125980>.

⁸ Widya Satya Nugraha et al., "The Effect of a Halal Label and Label Size on Purchasing Intent for Non-Muslim Consumers", *Journal of Retailing and Consumer Services* 65 (March 2022): 102873, <https://doi.org/10.1016/j.jretconser.2021.102873>.

⁹ Ismail Abdi Changalima, 'Halal Supply Chain Management: A Bibliometric Analysis of the 100 Most-Cited Publications from Scopus-Indexed Journals', *Social Sciences & Humanities Open* 11 (2025): 101248, <https://doi.org/10.1016/j.ssaho.2024.101248>.

Research Method

This study adopts a qualitative research design employing a descriptive-analytical approach, combined with comparative analysis. The authors chose a qualitative design to enable an in-depth understanding of the phenomenon of changing Muslim consumer behavior within the context of global dynamics, as well as the halal industry's responses to these emerging expectations. The descriptive-analytical approach allows the researcher to systematically portray patterns of behavior, perceptions, and preferences among Muslim consumers and to analyze these patterns within the theoretical frameworks of consumer behavior, Islamic economics, and globalization. Meanwhile, comparative analysis is applied to examine the adaptive strategies undertaken by halal industry actors across different contexts, particularly between Muslim-majority and Muslim-minority countries. This design is exploratory, as the intersection of Muslim consumer expectations, global transformation, and the halal industry's strategic adaptation remains relatively underexplored. Therefore, this study aims to provide fresh insights and establish a conceptual foundation for future empirical investigations.

Data collection was conducted through two primary channels: literature review and in-depth interviews.

1. **Literature Review:** Secondary data were gathered from reputable sources, including peer-reviewed international journal articles, reports on the halal industry (such as the *State of the Global Islamic Economy Report*), publications issued by halal certification authorities, and official policy documents from various countries. The Authors selected the literature based on relevance, recency, and source credibility. The purpose of the literature review was to obtain both theoretical and empirical insights into the global dynamics influencing Muslim consumer behavior and the industry's responses.
2. **In-Depth Interviews:** To enrich empirical perspectives, in-depth semi-structured interviews were conducted with key informants, consisting of:
 - a) Muslim consumers from diverse socio-economic backgrounds, to explore consumption patterns and expectations;
 - b) Halal industry actors—including producers of food, cosmetics, pharmaceuticals, and service providers (e.g., tourism)—to understand adaptive strategies in response to consumer demands; and
 - c) Academics and policymakers involved in halal regulation, to capture perspectives on certification harmonization and global challenges.

The semi-structured format allowed flexibility for informants to share personal experiences and nuanced perceptions in greater depth. The study employed purposive sampling, whereby informants were deliberately selected based on criteria relevant to the research objectives. For Muslim consumers, participants were drawn from the productive age group (18–45 years) who actively consume or access halal products in both Muslim-majority countries (e.g., Indonesia and Malaysia) and Muslim-minority countries (e.g., the United Kingdom and Japan). For industry actors, companies included were those with valid halal certification and demonstrable implementation of sustainability or digital supply chain strategies. The number of informants was determined by the Authors according to the principle of saturation, that is, when no new information emerged from additional interviews. It is estimated that approximately 20–25 in-depth interviews were conducted, maintaining a balanced composition between consumers, industry representatives, and regulators.

Data analysis consisted of two complementary techniques: content analysis and thematic analysis.

1. Content Analysis: This method was applied to textual documents, reports, and publications related to the halal industry and Muslim consumers. The analysis involved categorizing data, identifying key terms, and classifying major themes related to global dynamics, consumer behavior, and industrial adaptation.
2. Thematic Analysis: Thematic analysis was used to interpret the interview data. The stages included transcription, open coding, clustering of codes into overarching themes, and thematic interpretation within the theoretical frameworks of Islamic economics and global consumer behavior.

To ensure the reliability and validity of the findings, source triangulation was used by cross-verifying data from the literature, consumer interviews, and industry–regulator interviews.

Results

Halal Products and Global Dynamics

The concept of halal reflects core Islamic principles of legality, ethics, and spirituality, extending beyond food to pharmaceuticals, cosmetics, tourism, logistics, and finance.¹⁰ The global halal industry has grown rapidly, driven by a Muslim population exceeding 1.9 billion, making halal one of the most dynamic sectors with a market value reaching trillions of dollars.¹¹ Globalization has expanded the circulation of halal products, with Indonesia, Malaysia, Saudi Arabia, and the UAE as key producers, while non-Muslim countries such as Japan, South Korea, Thailand, and Brazil increasingly adopt halal standards to access Muslim markets. It demonstrates that halal has evolved into a global benchmark for quality, hygiene, and ethical production.

However, the absence of harmonized international certification creates fragmented standards and trade barriers. Malaysia's JAKIM and Indonesia's BPJPH hold strong regulatory roles, but Western countries rely on private certifiers, limiting mutual recognition.¹² At the same time, halal products attract non-Muslim consumers who associate them with cleanliness, safety, and responsible sourcing. Challenges include maintaining supply chain integrity, competition with cheaper non-halal alternatives, regulatory limitations, and geopolitical barriers. Yet, trends toward sustainability, ethical consumption, and digitalization align with halal values, while international cooperation through the OIC strengthens efforts to harmonize standards. Thus, halal functions not only as a religious requirement but also as an instrument of global economic and cultural engagement.¹³

¹⁰ Dora Fonmbuh Abonguie et al., 'A Systematic Analysis of Systems Thinking and the Sustainability of Small and Medium Size Enterprises (SMEs): A Global Evaluation', *Scientific African* 28 (June 2025): e02738, <https://doi.org/10.1016/J.SCIAF.2025.E02738>.

¹¹ Muhammad Muntasir Yakubu et al., "HalalChain: A Decentralized Blockchain Model for Enhanced Data Integrity, Real-Time Compliance, and Automated Verification in Halal Food Supply Chain," *Results in Engineering* 27 (September 2025): 106591, <https://doi.org/10.1016/J.RINENG.2025.106591>.

¹² Whisnumurti Adhiwibowo et al., 'Design of Dual Blockchain-Based with Point of Authority for Halal Traceability System Application on Fresh Meat-Based Supply Chain', *Results in Engineering* 26 (June 2025): 105133, <https://doi.org/10.1016/J.RINENG.2025.105133>.

¹³ António Afonso et al., 'Energy Price Dynamics in the Face of Uncertainty Shocks and the Role of Exchange Rate Regimes: A Global Cross-Country Analysis', *The Journal of Economic Asymmetries* 32 (November 2025): e00425, <https://doi.org/10.1016/J.JECA.2025.E00425>.

Consumer Preferences and Transformation of the Times

Consumer preference is a central concept in economics, marketing, and consumer behavior, describing the tendency of individuals or groups to choose products and services that meet their needs, tastes, and values. Preferences are dynamic, evolving alongside technological innovation, socio-cultural shifts, economic changes, and global trends. From a theoretical perspective, consumer preference is linked to utility theory, which emphasizes maximizing satisfaction under resource constraints.¹⁴ However, behavioral perspectives highlight its complexity, shaped by psychological, social, cultural, and moral factors.¹⁵ The transformation of consumer preferences is evident in the digital era, shaped by rapid access to information, social media connectivity, and e-commerce platforms. Modern consumers are more critical and selective, valuing customer experience over mere product function. Lifestyle changes driven by urbanization and globalization have shifted preferences toward practical, healthy, and sustainable products. The growing interest in organic, eco-friendly, and halal products reflects not only religious or health concerns but also global awareness of environmental sustainability and ethical responsibility.¹⁶

Generational differences also illustrate preference transformation. Millennials and Gen Z, being digital natives, are heavily influenced by social media, influencer marketing, and digital platforms.¹⁷ They value speed, personalization, and convenience, while older generations retain more traditional consumption habits but are gradually adapting to digitalization.¹⁸ Globalization further contributes to both homogenization and diversification of preferences: fast food and fashion trends spread globally, while local cultural identities remain preserved through adaptation of global products. Digitalization accelerates this transformation by offering wider choices, transparent information, and interactive producer–consumer relationships. Tools such as big data analytics and artificial intelligence enable companies to deeply understand consumer preferences, personalizing products and services accordingly.¹⁹ While this creates challenges for businesses—demanding responsiveness, innovation, and trend awareness—it also provides opportunities for creative strategies, product innovation, and long-term consumer engagement based on shared values.

Consumer Expectations Toward Halal Products

The study indicates that consumer expectations regarding halal products are highly dynamic and shaped by perceptions of halal integrity, product quality, pricing,

¹⁴ Claude Mona Airin et al., ‘Fingerprinting Using Vibrational Spectroscopy and Chemometrics for Determining the Presence of Non-Halal Meats in Food Products’, *Applied Food Research* 5, no. 1 (2025): 100982, <https://doi.org/10.1016/J.AFRES.2025.100982>.

¹⁵ Md Kausar Alam and Muhammad Shahin Miah, ‘Do Islamic Banks Use Institutional Theory in the Light of Shariah Governance? Empirical Evidence from a Muslim Dooffers opportunities for creative strategies, product innovation, and long-term consumer engagement rooted imminent Country’, *Heliyon* 10, no. 2 (2024): e24252, <https://doi.org/10.1016/J.HELIYON.2024.E24252>.

¹⁶ Antonis Ballis et al., ‘Cryptocurrency Dynamics during Global Crises: Insights from Bitcoin’s Interplay with Traditional Markets’, *International Review of Economics & Finance* 103 (October 2025): 104512, <https://doi.org/10.1016/J.IREF.2025.104512>.

¹⁷ Maximilian Boeck and Lorenzo Mori, ‘Has Globalization Changed the International Transmission of U.S. Monetary Policy?’, *Journal of International Economics* 157 (September 2025): 104139, <https://doi.org/10.1016/J.JINTECO.2025.104139>.

¹⁸ Konstantinos Bozos et al., ‘Corporate Governance, Finance, and Global Strategy’, *International Business Review* 34, no. 6 (2025): 102499, <https://doi.org/10.1016/J.IBUSREV.2025.102499>.

¹⁹ Ismail Abdi Changalima, ‘Halal Supply Chain Management: A Bibliometric Analysis of the 100 Most-Cited Publications from Scopus-Indexed Journals’, *Social Sciences & Humanities Open* 11 (January 2025): 101248, <https://doi.org/10.1016/J.SSAHO.2024.101248>.

and brand image.²⁰ Consumers increasingly demand that halal products not only meet religious compliance but also provide competitive value and reliability throughout the supply chain. These expectations influence the need for accelerated halal certification processes, including traceability from production to distribution.²¹


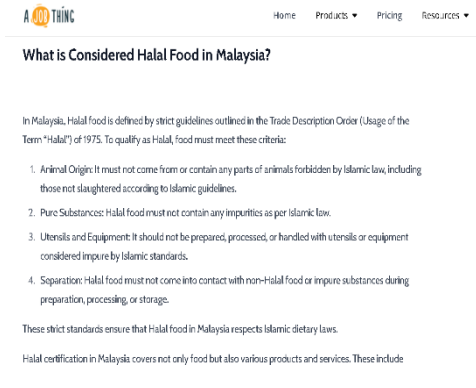

Category	Description	Figure
Halal Certification in Indonesia	This opinion explains the increasing consumer expectations with the sentence “...the need for halal products is certainly increasing and increasingly challenging ...”	
Halal Certification Management in Malaysia	This opinion describes consumers' basic expectations of trust with the phrase “...this certification holds profound importance...”	
The Importance of Halal Certification in the Philippines	This opinion describes halal certification in the Philippines as a critical factor in building consumer confidence, stating, “...halal certification in Philippines has emerged as an important component ...”	

Table 1. Halal consumer phenomena in several countries (Source: Author’s analysis, 2025)

In Indonesia, consumer expectations for halal products continue to rise in line with the development of the halal industry and the implementation of mandatory certification requirements. The shift from voluntary to compulsory certification reflects a stronger demand for certainty and halal assurance. The phased

²⁰ Séverine Deneulin and Masooda Bano, ‘Care for the Poor, Care for the Earth: Christian-Muslim Dialogue on Development’, *Religion and Development* 2, no. 1 (2the 023): 1–18, <https://doi.org/10.30965/27507955-20230013>.

²¹ Amol S. Dhaigude et al., ‘Supply Chain Integration and Culture under Globalization: A Systematic Review and Global Research Agenda’, *Research in Globalization* 11 (December 2025): 100293, <https://doi.org/10.1016/J.RESGLO.2025.100293>.

implementation of these regulations has also increased public awareness, indicating that expectations are dynamic and evolve alongside regulatory changes and market readiness. In Malaysia, consumer expectations are more closely tied to trust in halal governance. Consumers place high importance on strict compliance throughout all stages of production, legal certainty through certification, and the enhancement of brand reputation associated with halal status. It demonstrates that expectations extend beyond religious adherence to include broader indicators of product credibility and market performance.

Meanwhile, in the Philippines, consumer expectations are shaped by a growing awareness of halal certification as a basis for purchasing confidence. The increasing demand from both Muslim and non-Muslim consumers indicates that halal is perceived as a guarantee of safety and peace of mind. However, the lack of uniformity among certification bodies remains a challenge in meeting these expectations. Overall, consumer expectations in the three countries are rising in parallel with regulatory strengthening, market expansion, and increased awareness. Comparative analysis should be supported by clearly documented data sources, with tables summarizing key patterns rather than presenting direct quotations.

Digitalization of Halal Products in All Sectors

The digitalization of halal products across sectors strengthens transparency, efficiency, and accessibility in halal assurance from raw materials to consumers. In Indonesia, BPJPH mandates halal certification for domestic and imported products in food, cosmetics, pharmaceuticals, and chemicals, supported by multi-level audits conducted in collaboration with MUI. Greater harmonization with international standards is needed to streamline trade.²² Malaysia, through JAKIM, plays a leading role in global halal governance, emphasizing traceability and preventing cross-contamination throughout the supply chain. Mutual Recognition Agreements (MRA) support international acceptance of certification.

In the Philippines, halal certification remains fragmented due to multiple private certifiers operating under differing standards, limiting market access. The establishment of the Halal Industry Administration (HIA) is expected to unify certification standards in line with globally recognized frameworks and to improve export competitiveness. Emerging technologies—such as blockchain, IoT, and AI—enhance supply chain monitoring, while halal e-commerce platforms expand market reach and consumer accessibility.²³

²² Simon Dietz et al., 'The Social Welfare Value of the Global Food System', *Ecological Economics* 239 (January 2026): 108771, <https://doi.org/10.1016/J.ECOLECON.2025.108771>.

²³ Helder Ferreira do Vale and Lilian Costa, 'State Capitalism in a Changing Global Order: Brazil and China's Strategies for Greater Global Influence', *Research in Globalization* 9 (December 2024): 100265, <https://doi.org/10.1016/J.RESGLO.2024.100265>.

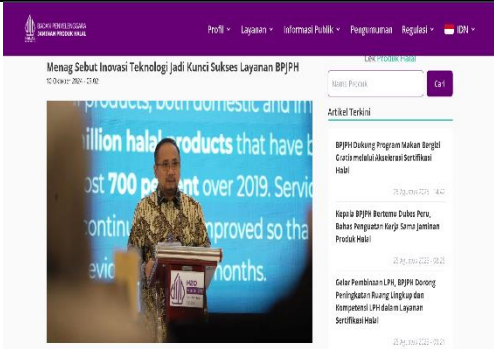
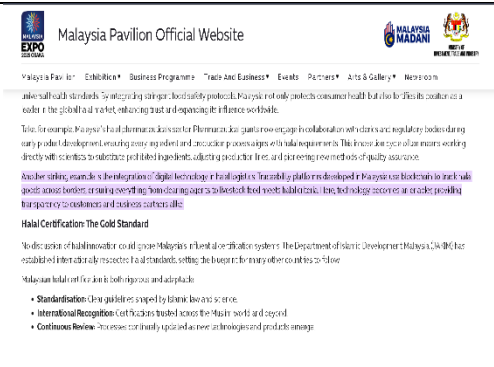

Category	Description	Figure
<p>BPJPH Digitalization</p>	<p>This opinion describes digitalization and technology as key to the success of the halal product assurance system, citing the quote: "... technological innovation is the key to the success of implementing halal product assurance (JPH) services..."</p>	
<p>Halal Innovation Center in Malaysia</p>	<p>This opinion explains the integration of digital technology into halal logistics, citing the sentence "... traceability platforms developed in Malaysia ..."</p>	
<p>Collaboration to Improve Halal Industry Technology in the Philippines</p>	<p>To enhance digitalization in the halal industry sector, the Philippines is collaborating with Malaysia. This collaboration is explained in the quote, "...The two leaders agreed to focus collaborations on the halal industry, agriculture, digitalization, and green technology..."</p>	

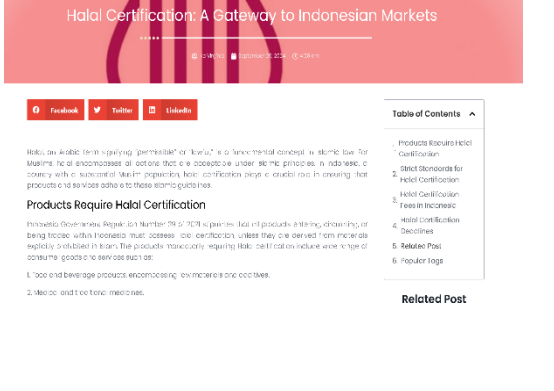

Table 3. International Regulatory Integration and Halal Products (Source: Author’s analysis, 2025)

Digitalization strengthens transparency, consumer trust, and supply chain efficiency. Blockchain and AI enable real-time verification of halal status across the supply chain, mitigating risks of fraud and mislabeling. IoT supports predictive monitoring in logistics, reducing operational disruptions. These technologies underpin the halal circular chain, ensuring traceability from farm to fork and aligning with international harmonization efforts. Moreover, coordinated digital systems facilitate mutual recognition of certifications, reducing duplication and easing international trade barriers. In countries like the Philippines, digitalization can

accelerate integration into global halal markets by aligning fragmented standards with international benchmarks. A diagram illustrating the digital halal supply chain (farm-to-fork) would visually demonstrate how digital technologies secure halal integrity at every stage, enhancing market credibility and consumer confidence.

Harmonization of International Regulation Relating to Halal Products

Harmonization of halal product regulation is the process of aligning halal standards and certification internationally to facilitate trade and protect consumers, which is critical to the growth of the global halal industry.²⁴ It involves collaboration between countries and organizations in building an inclusive halal ecosystem, emphasizing trust, transparency, and traceability as the foundation of halal standards.²⁵

Category	Description	Figure
Halal Certification as Market Key	Regulations in Indonesia use a mandatory halal certification approach that demands mutual recognition with the quote “Indonesian government ... in Islam ...”	 <p>The figure shows a webpage with a red header and a table of contents on the right. The table of contents includes: 1. Products Require Halal Certification, 2. Strict Standards for Halal Certification, 3. Halal Certification Fees in Indonesia, 4. Halal Certification, 5. Related Post, 6. Footer Page. The main content area has a heading 'Products Require Halal Certification' and some introductory text.</p>
Halal Certification and Production Regulations in Malaysia	This opinion piece explains that Malaysia is a role model for international halal standards with the quote “...Malaysia leads the index of 81...”	 <p>The figure shows a newsletter layout with a title 'Legal Framework for Halal Certification and Production in Malaysia' and a date '2024/03/13'. Below the title is a small image of a desk with a calculator and a cup. The newsletter text includes: 'We published a newsletter regarding Legal Framework for Halal Certification and Production in Malaysia. To view PDF version, please click the following link: --Legal Framework for Halal Certification and Production in Malaysia'. At the bottom, it says 'Legal Framework for Halal Certification and Production in Malaysia' and 'March 2025 One Asia Lawyers Group Malaysia team Yuli Hashimoto (Attorney at Law in Japan) Akaba Hiroki Esq (Attorney at Law in Malaysia)'.</p>

²⁴ Johan Fischer and Eva F. Nisa, ‘Emerging Middles: Class, Development and the Halal Economy in Indonesia and Malaysia’, *Research in Globalization* 10 (June 2025): 100276, <https://doi.org/10.1016/J.RESGLO.2025.100276>.

²⁵ Subrata Gorain et al., ‘Harnessing Green Wealth: A Two-Decade Global Assessment of Forest Carbon Sequestration and Credits and the Economic Implications of Sustainable Forest Management Practices’, *Journal of Environmental Management* 393 (October 2025): 126987, <https://doi.org/10.1016/J.JENVMAN.2025.126987>.

<p>Establishment of Halal Industry Authority</p>	<p>In the Philippines, problems regarding halal certification often occur with the quote “...This bill aims to create a comprehensive regulatory framework for halal certification in the Philippines...”</p>	 <p>The screenshot shows the website 'The Halal Times' with the article title 'Establishing a Halal Industry Authority to Boost the Philippine Economy'. Below the title is a photograph of a night market stall with a sign that says 'HALAL PHILIPPINES'.</p>
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Table 3. International Regulatory Integration and Halal Products (Source: Author’s analysis, 2025)

Based on the table, Indonesia, Malaysia, and the Philippines apply different approaches to integrating halal regulations with international standards. Indonesia implements mandatory halal certification for domestic and imported products, supported by multi-sector coverage and multi-level audits involving MUI. This comprehensive scope strengthens regulatory assurance but creates challenges for global harmonization, requiring mutual recognition agreements and alignment of audit procedures to prevent conflicting halal statuses across markets. Malaysia, with JAKIM as a worldwide reference authority, emphasizes centralized governance, traceability, and supply chain integrity. Its leadership role positions Malaysia as a model for harmonization, yet coordination with countries that use multi-authority systems requires structured Mutual Recognition Agreements to avoid duplicative certification. The Philippines experiences fragmented certification under multiple private bodies, limiting market access. The establishment of the Halal Industry Administration (HIA) is expected to unify standards, enhance credibility, and enable entry into markets with stricter halal requirements.

Discussion

Answer The Synthesis Question: How The Halal Industry Responds to New Expectations

Indonesia’s halal certification system exemplifies a strategic integration of national policy with global market considerations.²⁶ The country operates a mandatory halal certification framework under the supervision of the Halal Product Assurance Organizing Agency (BPJPH), supported by the Indonesian Ulama Council (MUI) and certified halal auditors (LPH).²⁷ This multi-layered institutional design ensures that compliance spans all stages of production, processing, and distribution, reflecting the holistic halal-thayyib concept that combines religious legality, product quality, and ethical considerations.²⁸ By requiring certification for both domestic and imported

²⁶ Mohd Izhar Ariff Mohd Kashim et al., ‘Scientific and Islamic Perspectives in Relation to the Halal Status of Cultured Meat’, *Saudi Journal of Biological Sciences* 30, no. 1 (2023): 103501, <https://doi.org/10.1016/J.SJBS.2022.103501>.

²⁷ Mohammad Naqib Hamdan et al., ‘A Review of the Discussions on Cultivated Meat from the Islamic Perspective’, *Heliyon* 10, no. 7 (2024), <https://doi.org/10.1016/j.heliyon.2024.e28491>.

²⁸ Putri Widyanti Harlina et al., ‘Untargeted Lipidomics Profiling for Halal Authentication of Meatball Products from Mixed Meat Sources’, *Food Chemistry: X* 29 (July 2025): 102804, <https://doi.org/10.1016/J.FOCHX.2025.102804>.

goods, Indonesia not only safeguards Muslim consumer interests but also positions itself as a credible supplier in the international halal market.²⁹

From an institutional theory perspective, this system demonstrates a process of formalization and consolidation of regulatory authority.³⁰ Indonesia's approach relies on rigorous multi-level audits, fatwa approvals, and documentation of halal compliance, which collectively strengthen institutional legitimacy. However, the breadth of Indonesia's certification—which encompasses food, cosmetics, pharmaceuticals, chemicals, and services—poses challenges for international harmonization. Countries with narrower scopes or alternative certification frameworks may not automatically recognize Indonesian halal standards, potentially creating trade barriers. This situation underscores the importance of mutual recognition agreements (MRAs) and intergovernmental collaboration to ensure halal-certified products can enter foreign markets seamlessly. Indonesia's adaptive strategy, therefore, integrates national regulatory rigor with proactive engagement in international standard-setting forums, emphasizing both compliance and market facilitation.

Malaysia's halal governance offers a model of institutional leadership in the global Islamic economic ecosystem. The Department of Islamic Development Malaysia (JAKIM) has established itself as a benchmark authority for halal certification, combining regulatory oversight with international standard diplomacy. Malaysia's approach integrates national certification procedures with strategic participation in the Standards and Metrology Institute for Islamic Countries (SMIIC) and broader OIC initiatives, positioning the country as a leading actor in defining global halal norms.

A key element of Malaysia's model is the emphasis on traceability and supply chain integrity. Halal certification extends beyond labeling to encompass systematic management of production, logistics, and distribution, minimizing cross-contamination risks and ensuring end-to-end compliance. Blockchain technology, digital traceability platforms, and information systems reinforce transparency and accountability, enabling consumers, businesses, and regulatory authorities to monitor halal integrity. In this context, Malaysia leverages institutional credibility, technological adoption, and regulatory coherence to facilitate both domestic compliance and international harmonization. The country's approach demonstrates that institutional leadership, when combined with regulatory transparency and technological integration, can transform halal certification from a domestic compliance mechanism into a global standard-setting instrument, influencing industry practices and consumer perceptions worldwide.³¹

By contrast, the Philippines faces structural and institutional challenges in harmonizing its halal certification system. Currently, multiple private organizations operate with differing standards, resulting in fragmented governance and inconsistent compliance. This fragmentation complicates access to international halal markets, particularly in the Middle East, Southeast Asia, and countries with stringent halal regulations. For Filipino producers, the absence of a unified regulatory authority

²⁹ Yedi Herdiana et al., 'Towards Halal Pharmaceutical: Exploring Alternatives to Animal-Based Ingredients', *Heliyon* 10, no. 1 (2024), <https://doi.org/10.1016/j.heliyon.2023.e23624>.

³⁰ Ismail Juma Ismail et al., 'Enhancing Halal Entrepreneurial Intention: The Impact of Halal Entrepreneurship Education and Halal Entrepreneurial Awareness', *Social Sciences & Humanities Open* 11 (January 2025): 101548, <https://doi.org/10.1016/J.SSAHO.2025.101548>.

³¹ Ismail Juma Ismail, 'Halal Brand Quality and Halal Food Purchasing Intention among University Students: The Moderating Effect of Customer-Employee Interactions', *Social Sciences & Humanities Open* 11 (January 2025): 101352, <https://doi.org/10.1016/J.SSAHO.2025.101352>.

creates uncertainty for both industry participants and consumers, undermining confidence in halal assurance.³²

The recent establishment of the Halal Industry Administration (HIA) represents a strategic attempt to centralize certification, standardize practices, and enhance credibility. HIA is designed to align Philippine halal governance with international norms, facilitating recognition by major halal markets. From a consumer behavior standpoint, Filipino Muslims and non-Muslims increasingly view halal certification as a marker of quality, safety, and ethical production. Yet, the potential economic benefits remain constrained unless HIA can effectively enforce compliance and integrate digital solutions for traceability and transparency. Harmonization of Philippine standards with globally recognized benchmarks is therefore crucial not only for market access but also for sustaining consumer trust and supporting industrial growth.³³

A cross-country analysis highlights several strategic patterns. Indonesia demonstrates adaptive responses through regulatory consolidation and enforcement, ensuring comprehensive domestic compliance while engaging with international certification frameworks. Malaysia exemplifies institutional leadership, leveraging credibility, traceability mechanisms, and participation in global standard-setting bodies to influence international halal norms. The Philippines illustrates the consequences of regulatory fragmentation and the need for centralization to achieve both market access and consumer trust.³³

These differences have implications for global trade, market competitiveness, and consumer perception. Harmonization of standards is not a mere procedural concern but a strategic economic tool that enhances international credibility, enables access to high-value markets, and reinforces the perceived integrity of halal products. Countries with strong institutional frameworks, technological integration, and international coordination can leverage halal certification as a form of economic diplomacy, positioning themselves as authoritative actors in the global halal industry.³⁶

The variations observed in Indonesia, Malaysia, and the Philippines reflect broader trends in globalization and consumer behavior. Globalization has expanded market opportunities while intensifying the need for standardized practices to facilitate cross-border trade. Consumer expectations have evolved to prioritize not only religious compliance but also product quality, hygiene, sustainability, and ethical sourcing. This shift aligns with theories of consumer behavior that emphasize the role of trust, perceived credibility, and institutional legitimacy in purchasing decisions. Countries that successfully integrate digital traceability, comprehensive regulatory frameworks, and harmonized standards are better positioned to meet these expectations and capture global market share.³⁷

Technological adoption, including blockchain, AI, and IoT, supports this integration by enhancing supply chain transparency, efficiency, and accountability. In Indonesia, digital solutions help document compliance across multiple sectors; in Malaysia, technology reinforces traceability and prevents cross-contamination; in the Philippines, digital integration remains a crucial step toward credible harmonization. These technological interventions also facilitate data-driven policymaking, enabling regulators to monitor compliance, identify gaps, and respond to emerging market trends effectively.

³² Abdul Mustapha et al., 'Application of Machine Learning Approach on Halal Meat Authentication Principle, Challenges, and Prospects: A Review', *Heliyon* 10, no. 12 (2024): e32189, <https://doi.org/10.1016/J.HELIYON.2024.E32189>.

³³ Shamima Raihan Manzoor et al., 'Advancing Muslim Modest Fashion Clothing', *Journal of Comparative Asian Development* 20, no. 1 (2024), <https://doi.org/10.4018/JCAD.346369>.

The comparative analysis demonstrates that harmonized halal certification serves multiple strategic functions. It ensures consumer trust, enhances market access, and strengthens a country's competitive position in the global Islamic economy. According to Vale and Costa in 2024,³⁴ countries with strong regulatory capacities can leverage halal certification as a form of state-driven economic strategy, akin to state capitalism, to promote industrial development and international trade. By aligning domestic policies with global standards, countries can transform halal governance from a purely religious compliance measure into a tool for economic competitiveness, industrial innovation, and international engagement.

Overall, Indonesia, Malaysia, and the Philippines illustrate diverse trajectories in halal governance, reflecting differences in institutional capacity, regulatory design, and international engagement. Indonesia prioritizes adaptive regulatory enforcement, Malaysia exemplifies institutional leadership and global standard-setting, and the Philippines focuses on overcoming fragmentation through centralization and harmonization. These cases collectively highlight the importance of multi-level coordination, technological integration, and institutional credibility in sustaining a competitive and globally recognized halal industry. Harmonization, transparency, and traceability emerge as central pillars for ensuring consumer trust, economic growth, and global market integration.

Conclusion

This study highlights the dynamics of the halal industry, increasingly shaped by Muslim consumers' shifting preferences in the global context. Three key findings emerge: (1) the fluctuating expectations of Muslim consumers, who demand not only compliance with shariah but also quality, transparency, and adherence to global ethical standards; (2) the critical role of digitalization, including blockchain and the Internet of Things (IoT), in enhancing traceability and credibility across the halal supply chain; and (3) the urgency of international regulatory harmonization, exemplified by the proposed establishment of a single halal certification authority in the Philippines, modeled after Indonesia and Malaysia. These findings underscore that the competitiveness of the halal industry relies on its capacity to adapt to global market and consumer dynamics.

This research contributes to theory by integrating Islamic concepts of *halal-thayyib* with global sustainability and business ethics principles. It demonstrates that halal governance is not solely a religious compliance mechanism but a multidimensional construct that intersects with institutional theory, consumer behavior, and globalization frameworks. By highlighting the interrelation between shariah values and global regulatory standards, the study provides a conceptual basis for understanding halal as both a socio-religious and strategic economic phenomenon.

From a managerial perspective, the study emphasizes the importance of digital traceability systems, institutional credibility, and harmonized certification practices to strengthen consumer trust and global market access. The research recommends that the Philippine government promptly establish the Halal Industry Administration (HIA) as a unified authority, provide subsidies to cover certification costs to support MSMEs, and strengthen international halal diplomacy to secure broader recognition. Additionally, public education campaigns on halal certification are strategic for enhancing domestic consumer confidence and promoting ethical consumption. Future

³⁴ Helder Ferreira Do Vale and Lilian Costa, 'State Capitalism in a Changing Global Order: Brazil and China's Strategies for Greater Global Influence', *Research in Globalization* 9 (December 2024): 100265, <https://doi.org/10.1016/j.resglo.2024.100265>.

studies should explore: (1) empirical analyses of HIA implementation impacts on exports and MSME sustainability; (2) comparative studies across ASEAN to identify best practices in regulatory harmonization; and (3) investigations of socio-political challenges to new halal regulations to develop inclusive and sustainable implementation strategies.

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